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January 13, 1994

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EX PARTE - HAND DELIVERED

Mr. William F. Caton Acting Secretary Federal Communications Commission 1919 M Street, N.W. Washington, D.C. 20554

PR Docket No, 93-61

Automatic Vehicle Monitoring Systems

Dear Mr. Caton:

On Friday, January 7, 1994, the undersigned and Rodney Joyce, of this firm, met with Karen Brinkman, of the Chairman's staff, to discuss our client's views and proposed solutions in this proceeding. The undersigned filed an EX Parte Motion of that meeting on January 7, 1994, and attached materials used in that meeting. The enclosed material was also used at that meeting and was inadvertently omitted from the undersigned's January 7, 1994, letter.

Two copies of this letter are being submitted to the Secretary of the Commission pursuant to § 1.1206(a)(1) of the Commission's Rules.

Please contact the undersigned if you have any questions or require additional information concerning this matter.

Sincerely,

Henry M. Rivera

Himy In Pivera

HMR: lmc Attachment

cc: Karen Brinkman, Esq.

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WHY PART 15 EQUIPMENT MANUFACTURERS OBJECT TO RULES ALCOMMUNICATIONS COMMISSION PROPOSED BY PACTEL TELETRAC TO GOVERN PACTEL TELETRAC'S PROPOSED LMS SYSTEM, AND HOW THE FCC CAN ELIMINATE THIS OBJECTION WHILE STILL APPROVING THE TELETRAC SYSTEM

Under Section 15.5(b) of the FCC's Rules, those who own socalled "Part 15 equipment" are required as a matter of law to discontinue operating any such equipment that causes technical interference to any of the three other communications systems operating in the same frequency band (automatic vehicle monitoring; government radio location; and industrial, scientific, and medical equipment). Part 15 equipment consists of radio frequency devices offering a wide range of communications capabilities such as scanning for location; identification and anti-theft at large, national department stores; automatic utility meter reading; wireless data transmission; alarms; newly introduced digital cordless phones which offer better quality communication and greater range than earlier, non-digital cordless phones; wireless PBXs; wireless LANS; and devices that offer medical applications and energy conservation applications. Millions of Part 15 devices operate in the 902-928 Mhz band and thus are required by Section 15.5(b) to be turned off if they cause interference to the three other types of communications systems that operate in this band. In a metropolitan area the size of Washington, D.C., there probably are at least 100,000 pieces of Part 15 equipment in operation today on the 902-928 Mhz band.

Pactel Teletrac has petitioned the FCC to adopt regulations that would authorize a <u>new</u> communications service to operate in the 902-928 Mhz band -- the Location and Monitoring Service ("LMS"). This new service would provide voice communications in addition to vehicle location monitoring. Under the Pactel proposal, LMS would get the benefit of protection against interference from Part 15 equipment that is provided by existing Section 15.5(b) for the three existing services.

While Part 15 equipment rarely interferes with operation of any of the three types of telecommunications systems with which it presently shares the band, Part 15 equipment will cause substantial interference to an LMS system of the sort Pactel Teletrac would operate, and there is no technical way to eliminate this interference because of the fragility of Teletrac's 20-year-old technology. As a result, under the LMS rules proposed by Pactel, an LMS licensee would have the legal right to notify potentially millions of owners of Part 15 equipment that Section 15.5(b) requires them to discontinue use of their equipment. If the Part 15 equipment owner does not stop using the equipment, the LMS licensee would have a legal right under Section 15.5(b) to petition the FCC to force Part 15 equipment owners to stop using their equipment, and the FCC would be obligated to consider the LMS licensee's petition.

The Part 15 community, by contrast, has urged the FCC either not to authorize the new LMS service that Pactel has proposed or to

authorize the service without giving it the benefit of Section 15.5(b) of the Rules. Under this latter approach, Pactel would be free to provide LMS service, but it would have no legal right to force potentially millions of Part 15 equipment owners to quit using their equipment when (as will occur because of the Teletrac technology) it interferes with the Teltrac system.

If the FCC authorizes LMS, there are good public policy reasons for the FCC to adopt the regulatory approach sought by the Part 15 community rather than the regulatory approach sought by Pactel:

- O The FCC would face an administrative nightmare if Pactel is allowed to force Part 15 equipment owners to quit operating their Part 15 devices pursuant to Section 15.5(b). This administrative nightmare would occur because the agency would be required to adjudicate tens of thousands of complaints by LMS licensees that Part 15 devices interfere with transmissions from LMS systems.
- O Scores of Part 15 equipment manufacturers would be forced out of business if Pactel gets its way since users of Part 15 devices understandably would not make further purchases of Part 15 equipment operating in this band.
- O Millions of people and businesses which currently own Part 15 equipment operating in the 902-928 Mhz band would be hurt if Pactel gets its way since they would be forced to discontinue operating this equipment.
- O Congress would face a political nightmare if Pactel gets its way since millions of consumers and businesses with Part 15 equipment operating in the 902-928 Mhz band understandably would complain bitterly to their elected representatives when they are informed by an LMS licensee that an FCC regulation requires them to discontinue operating the equipment.

While Pactel Teletrac has suggested that the FCC can ameliorate the objection of Part 15 equipment manufacturers by taking action that falls short of amending Section 15.5(b) in the manner described above, it is wrong. For example, some have urged the Commission to apply Section 15.5(b) to LMS as the agency has proposed, but to state in the order establishing LMS that the agency does not wish to become involved in adjudicating complaints that Part 15 equipment is interfering with an LMS system and that the agency may initiate a rulemaking proposing to get out of the

business of adjudicating such disputes if interference complaints are filed with the agency. This plainly would <u>not</u> prevent -- or even reduce -- <u>any</u> of the four problems described above since it would preserve for an unspecified time the legal right provided by Section 15.5(b) for an LMS licensee to notify the owners of Part 15 equipment that Section 15.5(b) requires that they cease operating, and owners of the offending equipment would be legally obligated to do so under penalty of law.